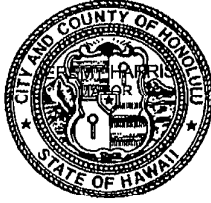


DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 550 • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4809 • FAX: (808) 527-5563 • INTERNET: www.co.honolulu.hi.us/hr



RECEIVED

FEB 14 8 16 AM '02

ADMIN & RESEARCH
BUDGET & FINANCE

CHERYL K. OKUMA-
SEPE
DIRECTOR

February 14, 2002

Mr. Sam Callejo, Chair
Hawaii Employer-Union Health Benefits Trust Fund
c/o Department of Budget and Finance
State of Hawaii
P.O. Box 150
Honolulu, Hawaii 96810-0150

Dear Mr. Callejo and Members of the Board of Trustees:

Thank you for providing the City with an opportunity to comment on the proposed procedures of the Hawaii Employer-Union Health Benefits Trust Fund Board.

I would first like to commend the Board on the openness under which you have been conducting your meetings. This openness is also reflected in your proposed procedures. I am especially encouraged to see that the Board has specifically included in the proposed procedures opportunity for input from those attending the meetings. In addition, I noted that you are proposing to make available copies of testimony provided to you. This openness is essential to the City because we are an unrepresented employer. Thus the only way we currently get information is from what we pick up at the meetings. Accordingly we ask that if you do consider holding executive meetings, which are closed, that you consider and discuss the impact such sessions will have on the unrepresented employers. (The unrepresented unions may have similar concerns.)

As to the specific procedures we offer the following comments:

1. Elected Officials
We would like clarification that for officers whose terms begin on July 1, 2002, the officers may be from either the employer representatives or employee representatives group. (Our concern is that the rotation provision should not apply to the election for the terms to begin July 1, 2002 even though employer representatives currently hold the Chair and Vice-Chair positions.)

We suggest that rather than requiring that the Chair and Vice-Chair be from the same trustee group, that the Vice-Chair and Secretary/Treasurer be elected from the same group. This would appear to us to provide for a more equitable sharing of power.

2. Voting Procedures

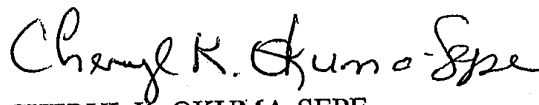
We noted that at least three votes are needed by a group (employer representative or employee representative) before there is a determination that the group has voted on a motion. Our concern is what happens in situations where one or more of the representatives must abstain from voting. For example if only three members are present from a trustee group and one had to abstain, it would appear that under the procedures, the trustee group would be unable to vote on the matter. We do not know if this will adversely affect the Board's ability to operate.

In addition to our comments on your procedures we would like to make a suggestion related to the Board meetings. That suggestion is to have microphones at the meetings to ensure that Board members can be heard by those in attendance.

Finally, we ask that the minutes of the meetings be provided to the City's Director of Human Resources.

You have a challenging job ahead of you and I am grateful for your dedicated efforts on behalf of all of us.

Sincerely,



CHERYL K. OKUMA-SEPE
DIRECTOR

Maryanne W. Kusaka
Mayor



Wallace G. Rezentes, Sr.
Administrative Assistant

OFFICE OF THE MAYOR

February 15, 2002


Mr. Sam Callejo
Chairperson
State of Hawaii
Hawaii Employer-Union Health Benefits Trust Fund
Department of Budget and Finance
P O Box 150
Honolulu, Hawaii 96810-0150

Dear Mr. Callejo:

Pursuant to your letter of February 1, 2002, I have attached a communication from our Deputy County Attorney, Margaret Hanson, on comments regarding the Hawaii Employer-Union Benefits Trust Fund - Board of Trustees Operating Procedures.

We appreciate the opportunity to respond with our comments. If we can be of further assistance, please call me at 241-6300.

Sincerely,

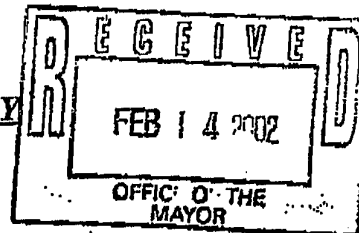


Wallace G. Rezentes, Sr.
Administrative Assistant

WRS/ekt

Attachment:

COUNTY OF KAUAI
OFFICE OF THE COUNTY ATTORNEY
MEMORANDUM



February 14, 2002

TO: Wallace G. Rezentes, Sr.
Administrative Assistant

FROM: Margaret Hanson
Deputy County Attorney

RE: HAWAII EMPLOYER - UNION BENEFITS TRUST FUND
BOARD OF TRUSTEES OPERATING PROCEDURES

I have reviewed the attached document, and for the most part, I have little comment. However, I notice that item number 7, second bullet, states that a minimum of four trustees will be assigned to each committee, though larger numbers may be appropriate. It is not clear from the language whether the make up of all committees, regardless of their size, is equally divided between union and employer trustee groups.

Other than this comment, I believe that these operating procedures, Hawaii Revised Statutes, Chapter 87A, and the 10th Edition of Robert's Rules of Order, Newly Revised, should be sufficient guidance for the Board of Trustees.

A handwritten signature in dark ink, appearing to read "Margaret Hanson".

MARGARET HANSON
Deputy County Attorney

MH:pc

Attachment

PHONE (808) 594-1888



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

FAX (808) 594-1865
RECEIVED

FEB 11 8 16 AM '02

**ADMIN & RESEARCH
BUDGET & FINANCE**

February 7, 2002

Mr. Sam Callejo, Chairperson
Hawaii Employer-Union Health Benefits Trust Fund
c/o Department of Budget and Finance
P.O. Box 150
Honolulu, Hawaii 96810-0150

Dear Mr. Callejo:

Thank you for a copy of the Board of Trustees Operating Procedures and the opportunity to consult on these procedures. A copy of the Department of Budget and Finance's materials on "Safeguarding Health Benefits" was also enclosed. Comments on these procedures were requested by noon on Friday, February 15, 2002.

We have reviewed the Board's Operating Procedures and find that they provide the means to effectively represent the interests of the employer and employee-beneficiary trustee groups. The procedures also establish a firm foundation upon which the Board's rules and actions are to be adopted.

We appreciate the opportunity to offer our comments on your procedures, and wish you and the trustees much success on the Trust Fund's implementation on July 1, 2003.

Yours truly,

A handwritten signature in black ink, appearing to read "Clayton H. W. Hee".

Clayton H. W. Hee
Chairperson
Office of Hawaiian Affairs Board of Trustees

CHWH:CWN:AKK

C: Clyde W. Namu'o, Administrator

HGEA-AFSCME

Working Together for Hawaii

RUSSELL K. OKATA
EXECUTIVE DIRECTOR

HAWAII GOVERNMENT EMPLOYEES ASSOCIATION • AFSCME LOCAL 152 • AFL-CIO

P. O. Box 2930 • Honolulu, Hawaii 96802-2930 • Tel (808) 543-0011 • Fax (808) 528-0922

February 15, 2002

Mr. Sam Callejo, Chairperson
Hawaii Employer-Union Health Benefits Trust Fund
c/o Department of Budget and Finance
P. O. Box 150
Honolulu, HI 96810-0150

Dear Mr. Callejo:

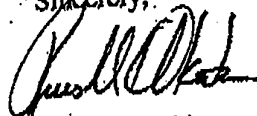
SUBJECT: Board of Trustees Operating Procedures

This is in response to your February 1, 2002 letter requesting comments to the draft board of trustees operating procedures for the Hawaii Employer-Union Health Benefits Trust Fund.

Our comments are as follows:

1. Item 5 - Include in the procedure that if the voting is not unanimous by each side that the names of the trustees who voted in favor of the motion, voted against the motion, or abstained from voting would be recorded in the minutes. This is necessary to determine who voted on the prevailing side if any action would be taken to reconsider a motion.
2. Item 9 - Increase the time limits for input from the public to five minutes instead of the proposed three minutes. We understand that a speaker at a previous meeting was unable to conclude his comments due to the strict application of the three-minute rule. We suggest that the chair be allowed powers to allow speakers leeway to complete their presentation within reason.

Sincerely,

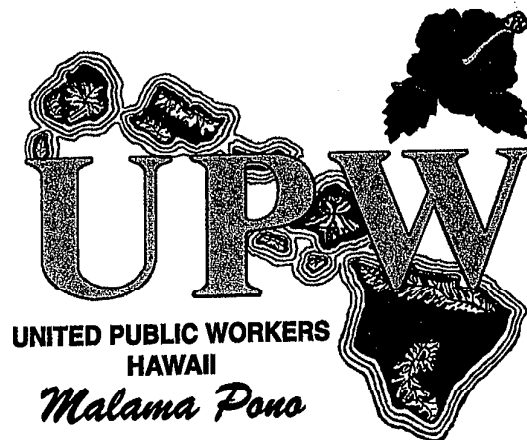


Russell K. Okata

cc: Will Miyake, Executive Assistant



GARY W. RODRIGUES
State Director



RECEIVED

FEB 8 1 24 PM '02

ADMIN & RESEARCH
BUDGET & FINANCE

February 6, 2002

Mr. Sam Callejo
Chairperson
Hawaii Employer-Union Health Benefits Trust Fund
State of Hawaii
Department of Budget and Finance
P. O. Box 150
Honolulu, Hawaii 96810-0150

**SUBJECT: HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)
OPERATING PROCEDURES, LETTER DATED FEBRUARY 1, 2002**

Dear Mr. Callejo:

This is in response to the proposed Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Operating Procedures dated February 1, 2002 that we received on February 4, 2002.

The proposed Operating Procedures does not include the following:

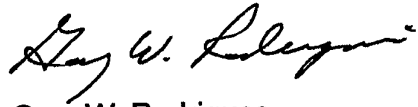
1. How the cost is recorded for implementation of the EUTF law, Act 88, SLH 2001, since the effective date of Act 88. Examples; the dates and times that a government Employee, permanent or otherwise, have worked on the implementation of the law, the dates and times government equipment, stationary, office space, utilities, etc have been used?
2. How will the administrative cost of the operations of the EUTF be determined and recorded after implementation?
3. Who is recording the cost and who selected the Employee(s) that are recording the cost?
4. Where are the records kept of the cost after it is recorded?

Mr. Sam Callejo
February 6, 2002
Page 2

5. How does the Union obtain the records of the recorded cost?

In order for negotiations of the dollar amount of the Employer contributions for Health Benefits be on accurate financial information, a complete and accurate record of the cost must be maintained. The UPW shall not accept cost information provided by the Employer without accurate financial information to support the Employer's information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary W. Rodrigues".

Gary W. Rodrigues
State Director

GWR/to

RECEIVED

FEB 15 12 23 PM '02

ADMIN & RESEARCH
BUDGET & FINANCE

February 12, 2002

Mr. Sam Callejo, Chairperson
Hawaii Employer-Union Health Benefits Trust Fund
c/o Department of Budget and Finance
State of Hawaii, P.O. Box 150
Honolulu, Hawaii 96810-0150

Mr. Callejo and members of the Trust Fund Board,

On behalf of Ms. Rosaline Gajeton, HSRTA president, and the Board of The Hawaii State Retired Teachers Association, I would like to thank you for giving us this opportunity to express our opinion on the Trust Fund Board's operating procedures.

I have listened to your discussions on the separate items of the draft of your operating procedures, have reviewed the final product and also sent Ms. Gajeton a copy for her review. We find the rules most satisfactory.

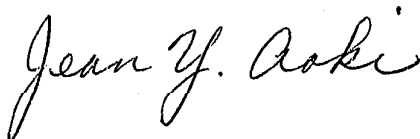
At the time the voting procedure was being discussed, there seemed to be some concern about the method to be used for each side agreeing on their one vote, especially if each side needed to caucus to come to its decision. Would that have been a violation of the sunshine law? I believe that the method agreed on as described in #5 of your Operating Procedure is the best solution.

We would like to commend this board on their apparent commitment to complying with the State Ethics Code and the Sunshine Law as outlined in #9. To date, this commitment to the Sunshine Law, at least at all of the board meetings, has been more than mere per forma, but seemingly sincere in practice. We appreciate the noticing of your meetings and the access to your documents.

More difficult decisions will need to be made in the weeks and months ahead. We trust that you will work tirelessly to develop a plan that will be fair and in the best interest of all of the beneficiaries, including the retirees, and yet fiscally viable for the long haul.

Again, may we thank you for including us as members of your consulting group.

Yours truly,



Jean Y. Aoki, Chair
Retirement Committee
Hawaii State Retired Teachers Association